

CHAPTER 3 CLASSIFICATION AND SALARY ADMINISTRATION

3.01 Classification and Compensation Plan

The classification and compensation plan shall be periodically reviewed and may be revised by the Human Resources Division to reflect changing competitive positions and economic conditions, and shall be submitted to the Town Manager and Town Council for approval. The provisions of the adopted Classification and Compensation Plan shall be outlined in the fiscal year budget.

3.02 Official Titles

Official titles shall be used in all personnel matters. Working or functional titles may be used upon approval of the Department Head and the Human Resources Division.

3.03 Salary Rates

In order to keep Town salary rates current, uniform, and equitable, the Town Manager or Human Resources Division may prepare an annual analysis of prevailing salaries for similar positions in the Town's competitive labor market, taking into account the variables which may be pertinent in establishing salaries or recommending changes to existing salary rates. The Town Manager may recommend whatever adjustments or revisions, including cost-of-living adjustments that may be necessary in order to maintain both the internal and external integrity of the salary rate structure.

3.04 Administration of Classification and Compensation Plan

Salary changes shall be administered in accordance with the following rules:

- A. New Hires: A new employee shall normally be compensated at the minimum pay of the approved pay grade. In exceptional circumstances, hiring above minimum pay may be authorized by the Town Manager.
- B. Promotions: A newly promoted employee shall ordinarily be compensated at the minimum pay of the approved grade which would provide an increase in pay over that received

in the previous classification in accordance with the current pay plan policy. If the minimum pay of the approved grade is equal to, or less than, the employee's current salary, the employee should receive compensation that would provide an increase in pay over his salary in the previous classification. The employee shall retain his original anniversary date for consideration of future pay increases.

- C. Transfers: An employee being laterally transferred to a job within the same Job Family Classification and the same Pay Grade shall continue to receive the same salary.
- D. Maximum Pay: No employee shall be paid more than the maximum rate of his pay grade unless the employee was earning that amount prior to the adoption of the annual Classification and Compensation Plan. An employee, who is at or above the maximum pay rate, shall be frozen at his current pay until the ranges catch up with his salary through job market adjustments. However, the employee shall receive a lump sum payment, if he is eligible for an increase commensurate with the Town's pay system. The salary pay ranges in the Town's pay plans shall be reviewed annually on a rotating basis.
- E. Demotion: An employee voluntarily or involuntarily demoted for any reason shall be compensated as administratively determined. A demotion shall not fall below the minimum rate or above the maximum rate for the pay grade of the new job.
- F. Acting Status: An employee may be assigned to an acting status position on a short-term basis, when he is assigned duties of another position, typically during a vacation leave period. An employee who has been assigned to an acting status position shall not receive additional compensation.
- G. Interim Status: An employee may be temporarily assigned to an interim status position in the event of a vacancy, newly

created position or extended disability or illness of another employee. An employee who has been assigned to an interim status position shall receive additional compensation, as administratively determined.

3.05 Reclassification of Positions

The Town Manager, Department Head or Division Head may recommend to the Human Resources Division a reclassification of any position where a change in character of the position (e.g. duties, responsibilities, authorities, level of supervision or qualifications) or a study of related positions within or outside of the Town organization, suggests a change is warranted. Unless otherwise approved by the Town Manager, reclassification requests shall be submitted in conjunction with departmental budget requests. No reclassification shall occur for the purpose of circumventing regulations, rules or procedures relating to demotion or promotion. The employee's anniversary date shall remain the same. All reclassifications must be approved by the Town Manager.

3.06 Salary Increases

Eligibility for compensation and pay increases shall be contained in the Classification and Compensation Plan, which is included in the Town's annual budget. The Classification and Compensation Plan is periodically reviewed and may be revised in the annual budget.

3.07 Reduction in Salary

Department Heads, with approval of the Town Manager, may reduce the salary of any employee at any time for non-discriminatory reasons. No reduction in salary shall deprive an employee of consideration for salary increases at a later date.

3.08 Regular Rate of Pay

An employee's regular rate of pay includes the employee's base salary, longevity pay, incentive pay and premium pay, as applicable.

3.09 Compensation of Temporary and Part-Time Employees

An employee who regularly works less than the established hours of full-time employment for each month may be paid by the hour or pursuant to a wage scale proportional to the amount of time worked.

3.10 Overtime (Excluding Firefighter Shift Personnel, Police Patrol Personnel, and Exempt Personnel)

- A. Non-exempt personnel may be required to work hours in excess of their official established hours when necessary as determined by departmental management. Specific extra work assignments shall be rotated and allocated as evenly as possible among employees qualified to do the work. Employees are expected to respond to a reasonable request to work extra hours, and may be subject to disciplinary action for failing to stay or report for such hours.
- B. Employees performing work at any time, other than scheduled working hours, including taking work home, is strictly forbidden unless authorized in writing by the employee's supervisor. Prior to working on such occasions, employees must verify such hours with their supervisors to make certain that overtime is, or will be, authorized. Employees shall not perform work for the Town outside their regular scheduled work hours on a voluntary basis.
- C. Non-exempt employees receiving overtime pay shall be compensated for such overtime hours at the rate of one and one-half (1 ½) times their regular rate of pay for hours physically worked in excess of forty (40) hours per work week, with time rounded to the nearest quarter of an hour. Any time less than one quarter hour shall not be compensable.
- D. Holiday, Bereavement, Jury and Military leave are the only types of leave considered to be "hours physically worked" for

purposes of calculating overtime. An employee who is on vacation leave when called back to work shall have all hours physically worked credited against the vacation leave hours submitted for that work week, and shall be paid for all hours worked and vacation hours used at his regular rate of pay.

- E. Non-exempt employees may elect to receive compensatory time off for such overtime hours in lieu of overtime pay at the rate of one and one-half (1½) times the number of overtime hours for hours physically worked in excess of forty (40) hours (rounded to one quarter hour) in the work week. Non-exempt employees may accrue up to a maximum of eighty (80) hours of compensatory time, and all compensatory time earned must be reported on time sheets. Compensatory time leave shall be given within a reasonable amount of time so long as it is approved by the Department or Division Head in advance. After the employee has accrued the maximum compensatory time and not used it as leave, all overtime accrued above the maximum must be paid. Accrued balances of compensatory time at separation from employment must be paid at a rate not less than the average rate received by the employee over the last three years of employment or his final rate of pay, whichever is higher.
- F. The Human Resources Division is responsible for determining the exempt/non-exempt status of positions in accordance with guidelines established by the Fair Labor Standards Act.

3.11 Overtime for Firefighter Shift Personnel and Police Patrol Personnel

Firefighter shift and police patrol personnel have special provisions for overtime pursuant to Section 207(k) of the Fair Labor Standards Act and Texas law. All such rules shall be consistent with the Fair Labor Standards Act and applicable Texas law.

- A. Non-exempt personnel may be required to work hours in excess of their official established hours when necessary as determined

by departmental management. Specific extra work assignments shall be rotated and allocated as evenly as possible among employees qualified to do the work. Employees are expected to respond to a reasonable request to work extra hours, and may be subject to disciplinary action for failing to stay or report for such hours.

- B. Employees performing work at any time, other than scheduled working hours, including taking work home, is strictly forbidden unless authorized in writing by the employee's supervisor. Prior to working on such occasions, employees must verify such hours with their supervisors to make certain that overtime is, or will be, authorized. Employees shall not perform work for the Town outside their regular scheduled work hours on a voluntary basis.
- C. Pursuant to Section 142.0015(j) of the Texas Local Government Code, a work period for non-exempt police patrol personnel is defined as 80 hours within a fourteen (14) day work cycle. Any time less than one quarter hour is not compensable.
- D. In accordance with FLSA Section 207(k), a fire protection work period is defined as 204 hours within a 27 consecutive day period. Non-exempt firefighter shift employees shall be compensated for such overtime hours at the rate of one and one-half (1 ½) times their normal rate of pay for hours physically worked in excess of 204 hours per work period, with time rounded to the nearest one quarter of an hour. Any time less than one quarter hour is not compensable.
- E. Holiday, Bereavement, Jury and Military leave are the only types of leave considered to be "hours physically worked" for purposes of calculating overtime. An employee who is on vacation leave when called back to work shall have all hours physically worked credited against the vacation leave hours

submitted for that work period, and shall be paid for all hours worked and vacation hours used at his regular rate of pay.

- F. Non-exempt police patrol employees who are on an 80-hour work period schedule may elect to receive compensatory time off for such overtime hours in lieu of overtime pay at the rate of one and one-half (1 ½) times the number of overtime hours for hours physically worked in excess of eighty (80) hours in a work period (rounded to one quarter hour). Non-exempt police patrol employees who are on a 40-hour work week schedule may elect to receive compensatory time off for such overtime hours in lieu of overtime pay at the rate of one and one-half (1 ½) times the number of overtime hours for hours physically worked in excess of forty (40) hours in a work week (rounded to one quarter hour). Non-exempt police patrol employees may accrue up to a maximum of eighty (80) hours of compensatory time. All compensatory time earned must be reported on time sheets. Compensatory time leave shall be given within a reasonable amount of time so long as it is approved by the Department or Division Head in advance. After the employee has accrued the maximum compensatory time and not used it as leave, all overtime accrued above the maximum must be paid. Accrued balances of compensatory time at separation from employment must be paid at a rate not less than the average rate received by the employee over the last three years of employment or his final rate of pay, whichever is higher.

3.12 On-Call and Call-Backs

- A. On-call is all time after regularly scheduled working hours when a non-exempt employee is designated to be available for call-back. According to the FLSA, an employee required to remain on-call on Town premises or so close to the premises that the

employee cannot use the time effectively for his own purposes is compensable. Also, an employee required only to leave word at home or with the Town as to where he may be reached is not engaged in compensable working time. The Town's compensation guidelines for on-call employment allow more flexibility for compensation for employees who are on-call but whose time may be somewhat impacted. The Town may choose to compensate, in certain circumstances, employees designated to be available for call-back. In most cases, on-call time shall not be considered time worked and ~~is~~ shall not be compensable. If called back, compensation shall be paid for actual hours worked, but no less than one (1) hour. Time spent traveling to respond to an emergency call that occurs within one (1) hour before the regular work period is scheduled to begin, shall not be counted as hours worked.

- B. A non-exempt employee shall be considered to be officially scheduled and designated as on-call when an on-call need has been identified by the Department or Division Head, instructions have been communicated by the Department or Division Head to the employee concerned, and the employee has acknowledged the on-call status and availability instructions and, further, the employee has indicated to the appropriate supervisor how he can be contacted. Employees are expected to respond to an assignment by their supervisor to be on-call.
- C. This section does not apply to exempt employees.

3.13 Longevity Pay

All regular full-time employees of the Fire Department and all sworn personnel of the Police Department shall, in accordance with State law for fire and police personnel, receive longevity pay of four dollars (\$4.00) for each full month of service, not to exceed twenty-five (25) years.

All other regular full-time employees of the Town shall receive longevity pay of four dollars (\$4.00) for each full month of uninterrupted service, not to exceed twenty-five (25) years. A regular employee who enters service with the Town on or prior to the 15th day of any month, or separates from service with the Town on or after the 16th day of any month shall earn longevity pay for that month.

Longevity Pay shall be included in the employee's regular rate of pay in computing the overtime pay rate. Effective January 2000, longevity pay shall be distributed annually in early December each year. Eligible employees, who separate from employment during the year, shall receive a pro-rated distribution in their final paycheck.

3.14 Incentive Pay

Under policies and guidelines established by the Town Manager and approved by the Town Council, eligible regular full-time employees may receive additional compensation per month for each qualifying certificate, license or college degree. The amount of such compensation shall be determined as part of the annual budget, and shall be included in the employee's regular rate of pay. Certificates, licenses, or college degrees must also be directly related to the employee's present job duties and functions.

The purposes and objectives of this program are to:

- A. Promote and maintain a highly qualified, trained, and professional workforce by providing incentives for employees to participate in job- related continuing education and certification/licensing programs.
- B. Enhance and improve the level of service provided the citizens of the Town of Flower Mound through the provision of a highly qualified, trained, and professional workforce.
- C. Reduce or mitigate liability exposures by ensuring a highly qualified, trained, and professional workforce.

Refer to Title II, Administrative Regulations, Chapter 14 Incentive Pay Program, for additional information.

3.15 Method of Payment

Salaries shall be paid on a bi-weekly basis (twenty-six pay periods per year). Paychecks shall be released to employees every other Friday, or be direct-deposited to the employee's bank account, if authorized by the employee. If a scheduled payday falls on a holiday, paychecks shall be issued the day preceding the holiday. If an employee is away from work on payday due to illness, vacation, or other reasons, his paycheck shall be returned to the Financial Services Department for safekeeping, unless direct deposit has been authorized by the employee. Written authorization from the employee shall be submitted to the Financial Services Department for delivery of the employee's paycheck to a third party, who may be required to provide proof of identification.

3.16 Separation Pay

All employees who leave the service of the Town for any reason shall receive all pay, which legally may be due them. Any indebtedness to the Town, which the employee may have incurred, shall be deducted from the final paycheck.

All employees who resign shall give at least two (2) weeks written notice before the effective date of resignation to leave in good standing. After the employee gives the two (2) weeks notice, the Department or Division Head may waive the two (2) weeks notice at the Town's request, as deemed necessary. If the Department or Division Head waives the two (2) weeks notice, the employee shall not be compensated for the two (2) week period.

An employee shall not be allowed to use any available exempt leave during his final two (2) weeks notice period. The Department or Division Head shall, at his own discretion, allow the employee to use vacation or holiday leave during the two (2) weeks notice period. However, employees shall not be allowed to use vacation leave for more than five (5) working days.

3.17 Advance Pay

No full or partial advance payment of salary shall be made to any employee. All paychecks shall be distributed on the scheduled payday.

3.18 Interim Status Pay

Any employee who is temporarily assigned to serve in a higher level position, shall be compensated for the additional duties and responsibilities of the higher level position at an increase of 5% or minimum of the pay grade, whichever is greater, unless otherwise approved by the Town Manager. The employee must be qualified to perform and must actually perform the full range of duties of the higher level position required during the interim assignment in order to be eligible for the additional compensation.

When an employee returns to his regular job assignments, upon the completion of a higher level interim assignment, the employee's compensation shall return to that employee's regular rate of pay prior to his interim assignment. If the employee's anniversary date occurs during his interim assignment, any merit increase shall become effective on his anniversary date. If the employee is on the TOPPS pay system or at maximum of the Step pay system, the employee will receive his lump sum amount at the time that his annual performance evaluation is processed. If an employee is eligible to advance to the next step in the Step pay system, based on this performance evaluation, the employee shall advance to the next step when the employee returns to his regular assignment.

3.19 Acting Status

No pay increase shall be provided for acting status. Refer to Chapter 3 Wage and Salary Administration, Section 3.04 Administration of Classification and Compensation Plans (F) for a description of acting status.